REMARKS

General

Claims 1-42 are pending in the application. Claims 1-42 stand rejected. Claims 1, 18, 30, 37, 38 are amended as discussed below.

Rejections under 35 USC § 101

Claims 1-21 and 37-42 stand rejected under 35 USC § 101 on the ground that the claimed system could be interpreted as non-physical, and therefore non-statutory. Independent claims 1, 37, and 38 are amended to recite the presence of a computer, which is statutory apparatus. Support for this amendment is found at least in paragraph [0051] at page 15, lines 1-7. The rejection is deemed to be overcome by the present amendment.

Rejections under 35 USC § 112

Claims 1-21, 30, 37-42 stand rejected under 35 USC § 112, second paragraph, on the ground that it is "unclear" how the components recited in claim 1 constitute a system. The rejection is traversed. Claim 1 recites a combine and securities operated on by the combine, that is to say, an apparatus and a substrate/product on which that apparatus operates. The Office gives no reason why the combination of apparatus and substrate should not be described as a "system," and gives no reason why describing that combination as a "system" should render the scope of the claim unclear.

Claims 18, 30, and 37 stand rejected under 35 USC § 112, second paragraph, on the ground that the references to "expulsion" of securities is allegedly unclear. The references to "expulsion" have been deleted, and this rejection is therefore moot.

Rejections under 35 USC § 102(e)

Claims 1-3, 9-13, 16-17, 19-20, 22-23, 25-28, 32-36, and 38-39 stand rejected as allegedly being anticipated under 35 USC § 102(e) by U.S. Patent No. 6,615,188 (Breen et al., herein "Breen"). The rejection is traversed as to the claims now presented.

Breen describes a system in which a broker receives a series of transaction instructions from different investors, aggregates the instructions, and carries out the aggregate transaction.

The aggregate exists only for the single transaction. The present systems and methods, in contrast, require that the aggregate form a bundled instrument security. There is no disclosure or suggestion in Breen of forming a bundled security. The terms "instrument" and "security" are terms of art that would be clearly understood by those skilled in the art. As is explained in the specification, see for example paragraphs [001] and [0024], the terms "instrument" and "security" require a degree of permanence, definiteness, and supervision that are not applicable to Breen's one-off aggregated trade. Since Breen does not disclose nor fairly suggest all the features of independent claims 1, 22, and 38, those claims are not only not anticipated by, but also non-obvious over, Breen.

Claims 2-3, 9-13, 16-17, 19-20, 23, 25-28, 32-36, and 39 depend from claims 1, 22, and 38 and, without prejudice to their individual merits, are deemed to be novel and non-obvious over Breen for at least the same reasons as claims 1, 22, and 38.

In addition, claims 10 and 26 recite that the securities underlying a bundled instrument security are of disparate securities types. The Office cites to col. 7, lines 26-31 of Breen, but that describes only aggregating **any one** of various securities types. Breen's purpose is to reduce cost and complexity by aggregating transactions for a single security. It would be impossible within Breen's purpose to aggregate securities of disparate types into a single transaction.

Claims 13 and 28 recite that the selected multiple has a value in a selected range in compliance with securities regulations. The Office cites to col. 8, lines 36-48 of Breen, but that does not describe selecting specific ranges at all. It merely points out that fewer, larger transactions require fewer inconvenient fractional-share trades.

Claim 17 recites that a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities. The Office cites to col. 15, lines 32-40 of Breen, but that citation does not appear to make sense. Applicants have not located any passage in Breen that appears relevant.

Claim 19 recites that the bundled instrument security comprises a cash distribution issued on the units of the plurality, wherein the cash distribution is indirectly paid to at least one of the investors. The Office cites to col. 9, lines 43-48 of Breen, but that describes only payments by contributing buyers (including refunds of excess advance payments). There is no disclosure or suggestion of a distribution from within a purchased security. In addition, the cited payments in Breen do not relate to the aggregated transaction, but only to the individual purchases that Breen

will then aggregate. The Office has identified Breen's aggregated transaction with the bundled instrument security of Applicants' claim 1, so the rejection of claim 18 is inconsistent with the rejection of claim 1 (and therefore, since claim 18 depends from claim 1, self-contradictory).

Claim 32 is dependent from claim 30, which is not rejected on prior art grounds, and is therefore deemed to be novel and non-obvious for at least the same reasons as claim 30.

Claim 34 recites issuing at least one tradable receipt for the bundled instrument security. The Office cites to col. 6, lines 32-33 of Breen, which recites "updating an investor account in response to receipt of a trade confirmation." There is no mention of anything tradable, and the only receipt mentioned is the action of receiving.

Claim 35 recites listing the tradable receipts on an exchange. The Office cites to col. 8, lines 9-17 of Breen, which recites trading on an exchange, but nowhere mentions listing. As previously noted, Breen's system is directed to generating a single aggregated trade, so there is no instrument or security sufficiently permanent or definite that it would be possible to list.

For at least these reasons also, at least claims 10, 13, 17, 19, 26, 28, 32, 34, and 35 are deemed to be novel and non-obvious over Breen.

Rejections under 35 USC § 103

Claims 4-8 are rejected as obvious over Breen in view of U.S. Patent No. 6,571,219 (Spivey). Claims 14-15, 24, 29, and 37 are rejected as obvious over Breen in view of U.S. Patent Application No. 2002/0087373 (Dickstein et al., herein "Dickstein") and further in view of official notice. Claim 21 is rejected as obvious over Breen in view of U.S. Patent Application No. 2003/1030923 (Charnley). Claim 40 is rejected as obvious over Breen in view of Dickstein and further in view of U.S. Patent Application No. 2003/0069817 (Graff). Claim 41 is rejected as obvious over Breen in view of Dickstein and Graff and further in view of official notice. Claim 42 is rejected as obvious over Breen in view of Dickstein. Claim 37 is directed to the same concept as claims 1 and 38, and claims 4-8, 14-15, 21, 24, 29, and 40-42 depend from claims 1, 22, and 38. The various secondary references are relied on only in respect of the additional features recited in these claims. Without prejudice to their individual merits, therefore, claims 4-8, 14-15, 21, 24, 29, 37, and 40-42 are deemed to be novel and non-obvious over the various combinations of references for at least the same reasons that claims 1, 22, and 38 are novel and non-obvious over Breen alone.

In addition, regarding claim 5, col. 16, line 44 of Spivey does not describe a bank as a trustee; it describes only a trust that has a bank account.

Regarding claim 6, the Office's citation to col. 67, line 65 to col. 68, line 10 of Spivey appears to be erroneous.

For at least these reasons also, at least claims 5 and 6 are deemed to be novel and non-obvious over the cited prior art.

Claims 18 and 30-31 are not rejected on prior art grounds.

For all of the above reasons, the rejection of claims 1-42 is without merit as applied to the claims now presented, and should be withdrawn.

CONCLUSION

For all of the foregoing reasons, the application is in condition for allowance. Withdrawal of all objections and rejections, and allowance of claims 1-37 are respectfully requested. An early notice of allowance of those claims is earnestly solicited.

Respectfully submitted,

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